

# Cirencester Deer Park School Audited Financial Statements

For the year ended 31st August 2012



Company Limited by Guarantee

Registration Number  
07524811 (England and Wales)

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**Cirencester Deer Park School**Year ended 31<sup>st</sup> August 2012**Governors' Annual Report**

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**Reference and Administrative Details**

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**Company Name** Cirencester Deer Park School

**Company Registration Number** 07524811 (England and Wales)

**Principal Address and Registered Office** Cirencester Deer Park School  
Stroud Road  
Cirencester  
GL7 1XB

**Directors / Governors**

<b>Name</b>	<b>Date of Appointment/ Resignation if during 2011/12</b>	<b>Resources Committee</b>	<b>Curriculum Committee</b>	<b>Personnel Committee</b>	<b>Admissions Committee</b>
Martin Alsaigh	Appointed 1/10/11		✓		
Philip Beckerlegge (Chair of Governors)					
Simon Bellamy		✓			
Charles Brown		✓			
Jo Chisholm	Appointed 1/7/12		✓		
Simone Clark		Chair until 31/8/12			✓
Jon Collins	Resigned 31/5/12		✓		✓
Peter Edison	Appointed 1/4/12	✓		✓	✓
Margaret Edney				✓	Chair from 1/9/12
Mike Evans	Resigned 30/11/11	✓			
Aminul Hamid				✓	Chair until 31/8/12
Chiquita Henson (Head Teacher)		✓	✓	✓	✓
Kath Maeso			✓		✓
Peter McAllister	Appointed 1/3/12			✓	
Deryck Nash				✓	✓
John Partridge		✓			
Chris Perryman			✓		
Stephen Priestnall			Chair		✓
Michael Spittle (Responsible Officer)				Chair	
Kenneth Stook				✓	
Valerie Watson	Resigned 31/1/12			✓	✓
John White			✓		
Charles Woodd	Appointed 1/11/11	Chair from 1/9/12			

## **Cirencester Deer Park School**

Year ended 31<sup>st</sup> August 2012

### **Governors' Annual Report**

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#### **Senior Leadership Team**

Chiquita Henson	- Head Teacher
Chris Francis	- Deputy Head
Jerry Richer	- Assistant Head
Caroline Skerten	- Assistant Head
	- Resigned 31/08/2012
Liz Norman	- Assistant Head (Appointed 1/09/2012 for 2 years)
Helen Charlesworth	- Assistant Head (Appointed 1/09/2012 for 2 years)
Martin Doidge	- Director of Finance & Administration

#### **Company Secretary**

Martin Doidge

#### **Auditors**

Randall & Payne LLP  
79 Promenade  
Cheltenham  
GL50 1PJ

#### **Bankers**

Lloyds Bank PLC  
29 High Street  
Chippenham  
SN15 3HA

#### **Solicitors**

Rickerby's LLP  
Ellenborough House  
Wellington Street  
GL50 1YD

## Structure, Governance and Management

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### Constitution

The Academy is a company limited by guarantee with no share capital (company registration no 07524811). The company's memorandum and articles of association are the primary governing documents of the Academy. The Academy also has to adhere to the rules and regulations as laid down by the Education Funding Agency (previously the Young People's Learning Agency) and the terms of the Funding Agreement with the Department for Education. Members of the company comprise the Governors of the school who are responsible for the statutory and constitutional affairs of the company and the management of the Academy. Details of the Governors who served throughout the year are included in the Reference and Administrative details on page 2.

The Academy is an exempt charity (under amendments in the Finance Act 2011) and is entitled to the same exemptions as a registered charity.

### Recruitment and appointment of the Governors

Governors are subject to retirement by rotation every 4 years but are eligible for re-election at the meeting at which they retire. At each Annual General Meeting of the company one third of the Governors retire by rotation. The Governors to retire are those who have been longest in office since their last election or appointment. New Parent Governors are recruited by ballot of all parents. Other Governors are recruited through the existing Governing body taking into account the skills and experience which the Governing body feel are most useful at the time of recruitment and are subject to approval of the full Governing body.

### Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim.

### Governors induction and training

The full Governing body meets three times a year and it is usual for the first half hour of this meeting to be a presentation or briefing on a matter of interest to all governors. There is also an informal seminar held annually with all Governors and members of the school's senior and middle leadership team which will also cover topics of relevance to Governors.

The training and induction provided for Governors joining the Governing body will depend on their existing experience. Where necessary, induction is provided on charity and educational, legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, strategic plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

## **Organisational Structure**

The governing body has established a number of committees (Resources, Personnel, Curriculum, Admissions and Marketing) to review policies and performance of the school in all areas. Every member of the governing body sits on at least one committee. The Head teacher also attends every committee meeting along with other members of the school's strategic leadership team as appropriate. Reports from each of the committees are received and discussed at every meeting of the full governing body.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. Governors also sit on pupil exclusion panels and staff disciplinary panels although these are very rarely required.

The Senior Leadership Team of the school comprises the Head Teacher, a Deputy Head, three Assistant Heads and the Director of Finance and Administration. This team control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the leadership team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, although appointment panels for management posts always include a Governor. Some spending control is devolved to members of the extended leadership team (generally Heads of a Faculty or department) who each have budgets, with limits above which a senior manager must countersign.

The extended leadership team includes the Senior Leadership Team and pastoral and curriculum heads. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and pupils.

## **Risk Management**

The Governors have assessed the major risks to which the company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. They are satisfied that these systems are consistent with guidelines issued by the Charities Commission. The academy has an effective system of internal financial controls and this is explained in more detail in the following statement. The Academy continues to undertake work to further develop systems of internal control, including financial, operational and risk management designed to protect the Academy's assets and reputation.

The Resources committee of the governing body has a remit to identify and manage risk and has updated the school's Risk Register which identifies the risks to which the Academy is exposed. This also identifies systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academy. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

### ***1. Government funding***

The Academy has considerable reliance on continued government funding through the EFA. In the year under review 93% of the Academy's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Indeed the government is currently consulting on a revised system of school funding.

This risk is mitigated in a number of ways

## **Cirencester Deer Park School**

Year ended 31<sup>st</sup> August 2012

### **Governors' Annual Report**

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This risk is mitigated in a number of ways

- Funding is derived through a number of direct and indirect contractual arrangements such as lettings of facilities to derive additional income streams,
- By ensuring the Academy is rigorous in delivering high quality education and training, thus attracting additional pupils over and above those in the school's catchment area,
- Continuing to monitor Government funding proposals and make provision accordingly

## **2 Pupil Numbers**

Pupil numbers are currently falling due to local demographics and this has a direct impact on funding which is based on pupils on roll. The Governors' Admissions and Marketing committees monitor pupil numbers from local primary schools and systems and procedures are in place to ensure that reductions in pupil roll are also reflected in reduced levels of resources, both staffing and purchases. Our excellent exam results continue to attract pupils from outside our catchment area and in September 2012 we admitted 209 pupils which is our "Planned Admission Number" so we are effectively full in that Year.

## **3 Academic performance**

The local area is fortunate to have a number of high quality (Ofsted "Outstanding") schools along with selective schools in Stroud. Any sudden decline in academic standards or change to the OFSTED inspection criteria or judgements could have a significant impact on the school's reputation, Ofsted rating and ultimately attractiveness to pupil and parents. Close attention is paid to teacher forecasts of performance which are regularly updated and any adverse movement in forecast performance is investigated and remedial measures put in place to support pupils and staff to ensure that results are consistently good. The Governors' Curriculum committee is responsible for monitoring academic performance.

## **4 Reputation**

The school enjoys an excellent reputation with staff, pupils, parents and members of our local community which we have built up over many years and which is essential to us continuing to be the "school of choice" for local children. However, reputation can easily be damaged by the ill-considered actions of pupils or staff. We have policies and procedures in place to ensure that pupils are safeguarded and well looked after whilst at school and a code of conduct for staff to reinforce our expectations.

## **5 Safeguarding**

We take safeguarding of the young people in our care very seriously and adhere closely to safeguarding guidelines and procedures such as CRB checks for all staff, child protection training, safer recruitment guidelines and a designated child protection officer.

## **6 Natural Disaster**

Our Risk Matrix identifies the risk of natural disaster such as fire or flood as being the most likely significant risk to the school. We have alarm systems to reduce the risk, insurance policies to mitigate the financial impact of any losses and an emergency plan should all or part of the site become unavailable to us.

## **7 Maintain adequate funding of pension liabilities**

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 17. Whilst this currently shows a large liability, the Governors do not believe this poses any risk to the school as the pension scheme has many contributing members and only one pension in payment. The liability is therefore anticipated to reduce steadily.

## Cirencester Deer Park School

Year ended 31<sup>st</sup> August 2012

### Governors' Annual Report

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#### Connected organisations

Cirencester Deer Park School does not have a sponsoring organisation. It works closely with the "Cirencester Deer Park School Enrichment Fund" (a registered charity) who provide funding for enrichment activities. The following Directors of Cirencester Deer Park School are also Trustees of the Enrichment Fund – Philip Beckerlegge, Simone Clark, Margaret Edney and Stephen Priestnall. The school also receives financial support from a number of other organisations including the Powell's Educational Foundation.

Cirencester Deer Park School Ltd owns 100% of the share capital of Deer Park Enterprises Ltd which is registered in the UK and each year will donate by Gift Aid to the school any surplus taxable income from trading activities.

## Objectives and Activities

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#### Objects, aims and strategic direction

The principal object and activity of the company is the operation of the Cirencester Deer Park School to advance, for the public benefit, education for pupils of different abilities between the ages of 11 and 16. The school aims to offer "more than a visible curriculum" by enriching pupils' experience of school with extensive opportunities for extra-curricular activities and a wide range of educational trips.

In accordance with the Articles of Association the company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the Academy and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the Academy during the year ended 31 August 2012 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- to raise the standard of educational achievement of all pupils,
- to build on the legacy of the school's specialisms,
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review,
- to provide value for money for the funds expended,
- to comply with all appropriate statutory and curriculum requirements,
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

## Achievements and performance

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Total pupils on roll at the start of the 2012/13 academic year numbered 995 which was a reduction of just 5 pupils on the equivalent figure for 2011/12. However local demographics continue to indicate a medium term downward trend within the catchment area and we will become more dependent on pupils from out of our catchment area which puts us in direct competition with other local schools. In the longer term potential development of land near the school for residential housing may increase pupil numbers but the timing of this is uncertain.

As part of our marketing strategy, and after extensive consultation with stakeholders, the school has recently introduced a new uniform and image for the school. Our new leaping stag logo is a nod to the history of Deer Park whilst emphasising upward progression and the idea of working together.



## Cirencester Deer Park School

Year ended 31<sup>st</sup> August 2012

### Governors' Annual Report

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#### Academic Performance

Examination results for 2012 were very good and on some bases of measurement our best ever 88% of pupils achieved 5 or more GCSE's at A\*-C (2011 89%) and 64% achieved 5 or more A\*-C grades including Maths and English (2011 68%) 29% of all grades awarded were at A\* or A (2011 25%) 19% met the criteria for the English Baccalaureate (A\*-C passes in English, Maths, two Sciences, a Humanity and a Foreign Language) (2011 27%)

To ensure that standards are continually raised the Academy operates a programme of lesson observations, regular reviews of each subject area with the Head teacher, use of challenging pupil targets, staff performance management targets based on exam outcomes and close monitoring of teacher forecasts of assessment data

#### Public Benefit

The Governors have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the Academy The Governors confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's aims and objectives This is reflected in the schools primary purpose which is to advance, for the public benefit, education for pupils of different abilities between the ages of 11 and 16

#### Financial objectives

The Academy's financial objectives are

- to achieve a consistently balanced budget on a long term basis,
- to manage funding available for the benefit of current learners,
- to invest in the maintenance and renewal of the schools facilities and infrastructure to provide excellent learning and teaching facilities

#### Going Concern

After making appropriate enquiries, the governing body has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future On this basis it continues to adopt the "going concern" basis in preparing its financial statements Further details of the "going concern" basis can be found in the Statement of Accounting Policies

#### Key Financial Performance Indicators

The school's income is directly driven by the number of pupils and the per-pupil funding provided by central government Pupil numbers are therefore a critical indicator for the school and at present this is steady at around 1,000 pupils despite falling numbers of school age pupils in the Cirencester area due to demographic changes Each year the budget is set in accordance with the income available and levels of staff and other costs are monitored closely to ensure these remain affordable The school has set itself a target of staff costs not exceeding 85% of income and this continues to be met through close management of the curriculum and careful staff recruitment

#### Sustainability

The Academy is committed to sustainable development throughout all aspects of its operations The school is now fully double-glazed which reduces energy consumption and provides a more consistent temperature environment for learning The school is also considering investment in photo voltaic panels to generate electricity on site Our "Young Energy People" project involves pupils and staff in monitoring the school's sustainability and actively seeking ways to improve energy consumption We are continuing to work towards the Eco School's Green Flag Award

## Financial Review

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### Reserves policy

The Governors review the reserve levels of the Academy regularly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Governors are aware that the current level of reserves is in excess of the company's stated reserves policy and are seeking to make use of these through judicious use of expenditure to support learning and teaching and planned capital projects to improve the infrastructure of the school. However, there is currently significant uncertainty about the long term level of funding available to the Academy and until this uncertainty is resolved the Governors intend to carry a higher level of reserves to ensure that any future changes to funding can be managed without severe disruption to resource levels in the short term.

### Funding

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2012 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for capital investment. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2012, total expenditure of £5,669,000 was slightly in excess of total income of £5,625,000 (of which £5,326,000 was restricted income from the EFA) leaving a small shortfall of £44,000 which is more than adequately covered by current assets of £1,016,000 and is in line with the school's objective to reduce reserves in a managed way.

The prior year adjustment relates to a revision of an accounting estimate for the value of the donated land and buildings from the previous school to the academy on conversion. As a result of the audit work undertaken, the value of the land and buildings has been increased to reflect the valuation undertaken by the Education Funding Agency, which provides a more reliable figure than previously used. The prior year adjustment totals £7,894,459 and is reflected on the SoFA in other recognised gains and losses, and is included in note 14 in the brought forward figure at 1 September 2011 for land and buildings. This material adjustment is made in line with the rules laid out in FRS3 (Reporting Financial Performance).

Including the land value the school's fixed assets now stand at a net book value of £9,795,000 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The company operates a defined benefits pension scheme for support staff and is therefore required to recognise the assets and liabilities of the pension fund on its balance sheet. The company has obtained a valuation report from its actuaries, Hymans Robertson LLP, which shows that at 31/8/2012 the scheme has assets of £691,000 and liabilities of £1,560,000 with a pension deficit of £869,000. This deficit has increased significantly during the last year which is due to changes in the assumptions made by the scheme's actuaries about future income growth. The Directors do not believe that this is a cause for concern as the scheme has only one current pension in payment and 50 active and contributing members. This deficit is therefore expected to reduce over the medium term as scheme member contributions continue.

The Governors would like to publicly acknowledge receipt of £11,000 of funding from the Powell's Educational Trust. This is a local charity dedicated to raising educational standards. This money has been allocated to providing new workbenches in the Design classrooms.

## Plans for Future Years

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The school will continue to focus on improving levels of academic performance and has rigorous targets and monitoring strategies in place to achieve this. Our intention is to retain our "Outstanding" OFSTED rating when we are next assessed under the new assessment criteria (which may be anytime from 2013 onwards).

The governing body is working towards achievement of the Governor Mark award in 2012 to demonstrate that current practice is excellent and has been externally benchmarked.

The school will continue to assess the quality of service and value for money of external services currently brought in from the Local Authority to ensure that these fully meet the needs of our learners.

## Auditor

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In so far as the governors are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The financial statement auditors, Randall & Payne LLP, were appointed in 2011 and re-appointed from 1<sup>st</sup> September 2012 and are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The report of the governors was approved by the Governors on 13 December 2012 and signed on their behalf by



Philip Beckerlegge

Chair

## Statement of Governors' Responsibilities

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The governors (who act as trustees for charitable activities of Cirencester Deer Park School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that year. In preparing these financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 13 December 2012 and signed on its behalf by



Philip Beckerlegge

Chair

**Cirencester Deer Park School**

Year ended 31<sup>st</sup> August 2012

Statement on Regularity, Propriety and Compliance

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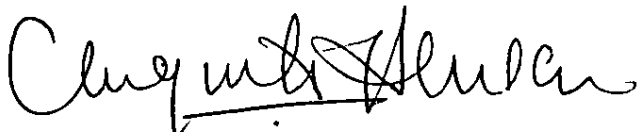
## Statement of Regularity, Propriety and Compliance

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As accounting officer of Cirencester Deer Park School I have considered my responsibility to notify the Academy Trust governing body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



Chiquita Henson  
Accounting Officer

Date 13 December 2012

## Statement on Internal Control

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### Statement on the System of Internal Financial Control

#### *Scope of responsibility*

As Governors, we acknowledge we have overall responsibility for the Academy's system of internal financial control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Head, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the Academy's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Financial Memorandum between Cirencester Deer Park School and EFA. She is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

#### *The purpose of the system of internal control*

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cirencester Deer Park School for the year ended 31 August 2012 and up to the date of approval of the annual report and accounts.

#### *Risk Management*

The Governors have assessed the major risks to which the company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds), internal financial controls (see below) and external audit in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. They are satisfied that these systems are consistent with guidelines issued by the Charities Commission. The academy has an effective system of internal financial controls and this is explained in more detail in the following statement:

### *The risk and control framework*

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body,
- regular reviews by the Resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

In addition, the Governors have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the Academy it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they have set policies on internal controls which cover the following

- the type of risks the Academy faces,
- the level of risks which they regard as acceptable,
- the likelihood of the risks materialising,
- the Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise,
- the costs of operating particular controls relative to the benefits obtained,
- clarified the responsibility of the Senior Leadership Team to implement the Governors' policies and to identify and evaluate risks for the Governors' consideration,
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives,
- embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy,
- developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment, and
- included procedures for reporting failings immediately to appropriate levels of management and the Governors together with details of corrective action being undertaken

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Michael Spittle, a Governor, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The RO reports on a regular basis to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

### *Review of effectiveness*

As Accounting Officer, the Head has responsibility for reviewing the effectiveness of the system of internal control. Her review of the effectiveness of the system of internal control is informed by

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

## Cirencester Deer Park School

Year ended 31<sup>st</sup> August 2012

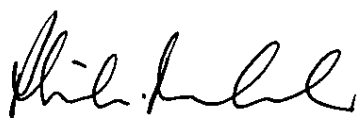
### Statement on Internal Control

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The Head has been advised on the implications of the result of her review of the effectiveness of the system of internal control by the Resources Committee, which oversees the work of the Responsible Officer, and a plan to address weaknesses and ensure continuous improvement of the system is in place

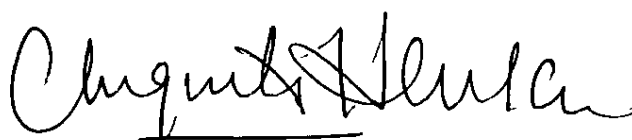
The Senior Leadership Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments. The Governors Resources committee also receive regular reports from the Responsible Officer, which include recommendations for improvement. The Resources Committee's role in this area is confined to a high-level review of the arrangements for internal control.

Approved by order of the members of the Governing Body on 13 December 2012 and signed on its behalf by



Philip Beckerlegge

Chair



Chiquita Henson

Accounting Officer



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CIRENCESTER DEER PARK SCHOOL**

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We have audited the financial statements of Cirencester Deer Park School for the year ended 31 August 2012, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account) the Balance Sheet, the Cash Flow Statement, the Principal Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Governors and Auditor's**

As explained more fully in the Statement of Governors Responsibilities set out in the Governors Report, the Governors (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the Governors,
- and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Governors Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency,

**Cirencester Deer Park School**

Year ended 31<sup>st</sup> August 2012

**Auditor's Report**

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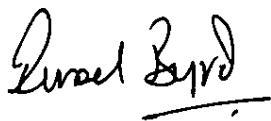
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors Report for the financial year for which the financial statements are prepared is consistent with the financial statements

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Russel Byrd - Senior Statutory Auditor

Date 14 December 2012

For and on behalf of Randall & Payne LLP - Statutory Auditor

79 Promenade  
Cheltenham  
Gloucestershire  
GL50 1PJ

## **INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF CIRENCESTER DEER PARK SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 25 September 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cirencester Deer Park School during the year 1 September 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Cirencester Deer Park School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cirencester Deer Park School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cirencester Deer Park School and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Cirencester Deer Park School's Accounting Officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Cirencester Deer Park School's funding agreement with the Secretary of State for Education dated 1 January 2012 and the Academies Financial Handbook as published by DfE in 2006 (revised 2012), for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

**Cirencester Deer Park School**

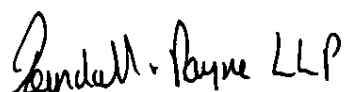
Year ended 31 August 2012

**Auditor's Report on Regularity**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Randall & Payne LLP

Date 14 December 2012

79 Promenade  
Cheltenham  
Gloucestershire  
GL50 1PJ

# Cirencester Deer Park School

Year ended 31 August 2012

## Statement of Financial Activities (incorporating Income & Expenditure account)

	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2012	Total 2011 as restated
		£	£	£	£	£
<b>Incoming resources</b>						
<i>Incoming resources from generated funds</i>						
Voluntary income	2	5,000	-	-	5,000	281,435
Assets transferred from predecessor school		-	-	-	-	2,818,864
Activities for generating funds	3	194,226	-	-	194,226	68,980
Interest receivable	4	3,805	-	-	3,805	1,480
<i>Incoming resources from charitable activities</i>						
Funding for the Academy's educational operations	5	-	5,038,220	96,181	5,134,401	2,338,686
Other income	6	-	451,650	-	451,650	108,359
<b>Total incoming resources</b>		<b>203,031</b>	<b>5,489,870</b>	<b>96,181</b>	<b>5,789,082</b>	<b>5,617,804</b>
<b>Resources expended</b>						
<i>Cost of generating funds</i>						
Costs of generating voluntary income	7	183,704	-	-	183,704	63,483
<i>Charitable activities</i>						
Academy's educational operations	8	-	5,348,778	389,764	5,738,542	2,481,567
<i>Governance costs</i>	9	-	17,055	-	17,055	22,134
<b>Total resources expended</b>	<b>7</b>	<b>183,704</b>	<b>5,365,833</b>	<b>389,764</b>	<b>5,939,301</b>	<b>2,567,184</b>
<b>Net incoming (outgoing) resources before transfers</b>		<b>19,327</b>	<b>124,037</b>	<b>(293,583)</b>	<b>(150,219)</b>	<b>3,050,620</b>
Gross transfers between funds	19	100,000	(188,707)	88,707	-	-
<b>Net income / (expenditure) for the year</b>		<b>119,327</b>	<b>(64,670)</b>	<b>(204,876)</b>	<b>(150,219)</b>	<b>3,050,620</b>
<b>Other recognised gains and losses</b>						
Prior year adjustment	26	-	-	-	-	7,894,459
Defined benefit pension scheme liability	27	-	-	-	-	(685,000)
Actuarial gains (losses) on defined benefit pension schemes	27	-	(171,000)	-	(171,000)	1,000
<b>Net movement in funds</b>		<b>119,327</b>	<b>(235,670)</b>	<b>(204,876)</b>	<b>(321,219)</b>	<b>10,261,079</b>
Total funds brought forward at 1 September 2011	19	635,913	(375,045)	10,000,211	10,261,079	-
<b>Funds carried forward at 31 August 2012</b>		<b>755,240</b>	<b>(610,715)</b>	<b>9,795,335</b>	<b>9,939,860</b>	<b>10,261,079</b>

All of the Academy's activities derive from continuing operations during the above financial period

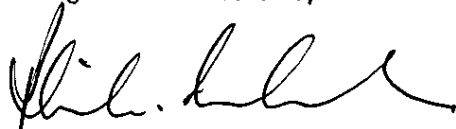
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

**Cirencester Deer Park School**  
Year ended 31 August 2012  
Balance sheet as at 31 August 2012

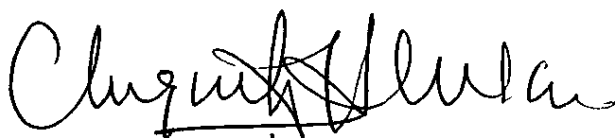
Company No. 07524811

	Note	Total 2012 £	Total 2011 as restated £
<b>Fixed assets</b>			
Tangible assets	14	<u>9,795,335</u>	<u>9,986,391</u>
<b>Current assets</b>			
Stock	15	8,682	5,000
Investment in subsidiary	16	1	-
Debtors	17	84,139	180,391
Cash at bank and in hand		<u>1,047,076</u>	<u>1,147,533</u>
		<b>1,139,898</b>	<b>1,332,924</b>
<b>Creditors</b> Amounts falling due within one year	18	(126,373)	(369,236)
<b>Net current assets</b>		<b>1,013,525</b>	<b>963,688</b>
<b>Net assets excluding pension liability</b>		10,808,860	10,950,079
Pension scheme liability	27	(869,000)	(689,000)
<b>Net assets including pension liability</b>		<b>9,939,860</b>	<b>10,261,079</b>
<b>Restricted funds</b>			
Fixed asset fund	19	9,795,335	10,000,211
General fund	19	258,285	313,955
Pension reserve	19	(869,000)	(689,000)
<b>Total restricted funds</b>		<b>9,184,620</b>	<b>9,625,166</b>
<b>Unrestricted funds</b>			
General fund		755,240	635,913
<b>Total unrestricted funds</b>		<b>755,240</b>	<b>635,913</b>
<b>Total Charity Funds and Reserves</b>		<b>9,939,860</b>	<b>10,261,079</b>

The financial statements on pages 21 to 41 were approved by the governors, and authorised for issue on 13 December 2012 and signed on their behalf by



**Philip Beckerlegge**  
Chair



**Chiquita Henson**  
Director / Accounting Officer

# Cirencester Deer Park School

Year ended 31 August 2012

## Cash Flow Statement for period ended 31 August 2012

	Total 2012 £	Total 2011 £
<b>Net cash inflow from operating activities</b>		
(Deficit)/surplus on continuing operations after depreciation of assets at Depreciation (note 14)	(321,219) 389,764	10,261,079 112,141
(Loss)/profit on disposal of tangible fixed assets	-	-
Capital grants from DfE and Others	(96,181)	(96,721)
Interest receivable (note 4)	(3,805)	(1,480)
Donated capital assets	-	(2,196,073)
FRS 17 pension brought forward balance	-	685,000
FRS 17 pension cost less contributions payable (note 27)	(24,000)	(9,000)
FRS 17 pension finance income (note 27)	33,000	14,000
FRS17 pension actuarial gain / (loss)	171,000	(1,000)
(Increase)/decrease in stocks	(3,682)	(5,000)
(Increase)/decrease in debtors	96,252	(180,391)
Increase/(decrease) in creditors	(242,863)	369,236
Investment in subsidiary	(1)	-
<b>Net cash inflow from operating activities</b>	<b>(1,735)</b>	<b>8,951,791</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	3,805	1,480
<b>Taxation</b>	-	-
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(198,708)	(8,000)
Capital grants from DfE/EFA	96,181	96,721
Capital funding received from sponsors and others	-	-
Receipts from sale of tangible fixed assets	-	-
	<b>(102,527)</b>	<b>88,721</b>
<b>Management of liquid resources</b>	-	-
<b>Increase/(decrease) in cash in the year</b>	<b>(100,457)</b>	<b>9,041,992</b>

Analysis of changes in net funds	At 1 September 2011	Cash flows	At 31 August 2012
Cash in hand and at bank	1,147,533	(100,457)	1,047,076

## Statement of Accounting Policies

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### Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2011/12 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below

### Going Concern

The Governors have assessed whether the use of going concern is appropriate. After due consideration of the financial climate and future funding of the Academy, the Governors are satisfied that the going concern basis should be adopted. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

### Incoming Resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

#### *Grants receivable*

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued and recognised in debtors.

#### *Sponsorship income*

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

#### *Donations*

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

#### *Other income*

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.



### *Donated Services and gifts in kind*

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

### *Resources Expended*

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

### *Costs of generating funds*

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

### *Charitable activities*

These are costs incurred on the Academy Trust's educational operations.

### *Governance Costs*

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses. All resources expended are inclusive of irrecoverable VAT.

### *Tangible Fixed Assets*

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Freehold buildings	25 years
Plant & equipment	5 years
ICT equipment	4 years

## **Cirencester Deer Park School**

Year ended 31 August 2012

### **Accounting Policies**

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Assets in the course of construction are included at cost on a basis of stage of completion. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of fixed assets is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

The Governor's have agreed to include a previous year adjustment for the inherited land and buildings. A valuation undertaken by the EFA at 31 August 2012 individually identified the land and buildings value and this was materially different to the carrying value in the accounts. As a result there is a prior year adjustment disclosed in the accounts to increase the carrying value to reflect the valuation. Further details are in note 26.

### **Leased Assets**

Rentals under operating leases are charged on an accruals basis over the lease term.

### **Stock**

Catering stocks are valued at the lower of cost and net realisable value.

### **Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and it therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The trading income received by the academy is not wholly primary purpose income and therefore falls outside the scope of the above exemptions and is potentially taxable. The academy has however not breached the charity small trading limits in the year and therefore no liability to corporation tax has arisen.

### **Pensions Benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

### **Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the EFA, Department for Education or other grant provider, where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the EFA, Department for Education and the Local Authority.

**Cirencester Deer Park School**  
Year ended 31 August 2012  
Notes to the Accounts (continued)

**1 General Annual Grant (GAG)**

**a. Results and Carry Forward for the Year / period**

	2012 £	2011 £
GAG brought forward from previous year	136,975	-
GAG allocation for current year	4,878,792	2,072,648
<b>Total GAG available to spend</b>	<b>5,015,767</b>	<b>2,072,648</b>
Recurrent expenditure from GAG	(4,823,186)	(1,935,673)
Fixed assets purchased from GAG		
Transfer from unrestricted fund	(88,707)	
	<b>103,874</b>	<b>136,975</b>
Other restricted GAG funds		
<b>GAG carried forward to next year</b>	<b>103,874</b>	<b>136,975</b>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(585,455)	(248,718)
<b>GAG to surrender to DfE</b> (12% rule breached if result is positive)	<b>(481,581)</b> no breach	<b>(111,743)</b> no breach

**b. Use of GAG Brought Forward from Previous Year for Recurrent Purposes**

(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)

Recurrent expenditure from GAG in current year	4,823,186	1,935,673
GAG allocation for current year	(4,878,792)	(2,072,648)
GAG allocation for previous year x 2%	(41,453)	-
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year	(97,059)	(136,975)
(2% rule breached if result is positive)	no breach	no breach

**2 Voluntary Income**

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	2012 Total £	2011 Total £
Donations - Capital	-	-	-	-	10,950
Donations	-	-	-	-	266,649
Other	5,000	-	-	5,000	3,836
	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>281,435</b>

**3 Activities for Generating Funds**

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	2012 Total £	2011 Total £
Lettings income	39,356	-	-	39,356	20,717
Catering	154,870	-	-	154,870	44,535
Supplies to students	-	-	-	-	3,728
	<b>194,226</b>	<b>-</b>	<b>-</b>	<b>194,226</b>	<b>68,980</b>

**Cirencester Deer Park School**  
**Year ended 31 August 2012**  
**Notes to the Accounts (continued)**

**4 Investment Income**

	Unrestricted Funds £	Restricted Funds £	2012 Total Funds £	2011 Total Funds £
Bank Interest	3,805	-	3,805	1,480
	<u>3,805</u>	<u>-</u>	<u>3,805</u>	<u>1,480</u>

**5 Funding for Academy's educational operations**

	Unrestricted Funds £	Restricted Funds £	2012 Total £	2011 Total £
<b>DfE / EFA capital grant</b>				
Devolved Formula Capital allocations	-	21,280	21,280	21,820
Academy building grants	-	74,901	74,901	74,901
	<u>-</u>	<u>96,181</u>	<u>96,181</u>	<u>96,721</u>
<b>DfE / EFA revenue grants</b>				
General Annual Grant (GAG) (note 1)	-	4,817,729	4,817,729	2,032,292
Insurance grant	-	61,063	61,063	40,356
Start Up grants	-	-	-	25,000
Other DfE / EFA grants	-	90,510	90,510	114,160
	<u>-</u>	<u>4,969,302</u>	<u>4,969,302</u>	<u>2,211,808</u>
<b>Other Government grants</b>				
SEN from LA	-	68,918	68,918	30,157
	<u>-</u>	<u>68,918</u>	<u>68,918</u>	<u>30,157</u>
	<u>-</u>	<u>5,134,401</u>	<u>5,134,401</u>	<u>2,338,686</u>

**6 Other incoming resources**

	Unrestricted Funds £	Restricted Funds £	2012 Total £	2011 Total £
Contribution to exam fees	-	-	-	233
Pupil trips	-	207,017	207,017	54,136
Music tuition	-	40,960	40,960	8,495
Graduate training contribution	-	18,510	18,510	10,933
Wages recharged	-	88,556	88,556	31,407
Sundry income	-	96,607	96,607	3,155
	<u>-</u>	<u>451,650</u>	<u>451,650</u>	<u>108,359</u>

**Cirencester Deer Park School**  
Year ended 31 August 2012  
Notes to the Accounts (continued)

**7 Resources Expended**

	Premises Costs £	Staff Costs £	Other Costs £	2012 Total £	2011 Total £
Costs of generating voluntary income	-	72,798	110,906	183,704	63,483
Academy's educational operations					
Direct costs	-	3,833,521	563,426	4,396,947	1,878,143
Allocated support costs	375,246	451,725	514,624	1,341,595	603,424
	<u>375,246</u>	<u>4,285,246</u>	<u>1,078,050</u>	<u>5,738,542</u>	<u>2,481,567</u>
Governance costs including allocated support costs	-	-	17,055	17,055	22,134
	<u>375,246</u>	<u>4,358,044</u>	<u>1,206,011</u>	<u>5,939,301</u>	<u>2,567,184</u>

The method used for the apportionment of support costs is disclosed in the accounting policies on page 22

Incoming / outgoing resources for the year include.

	2012 £	2011 £
Depreciation	330,218	112,141
Operating leases	-	1,586
Profit / (loss) on disposal of fixed assets	-	-

**8 Charitable Activities - Academy's educational operations**

	Unrestricted Funds £	Restricted Funds £	2012 Total £	2011 Total £
<b>Direct costs</b>				
Teaching and educational support staff costs	-	3,833,521	3,833,521	1,618,157
Depreciation	-	59,546	59,546	19,240
Educational supplies	-	142,322	142,322	58,187
Examination fees	-	84,873	84,873	17,772
Staff development	-	17,879	17,879	10,328
Music tuition	-	34,138	34,138	7,943
Educational trips	-	215,503	215,503	141,655
Other direct costs	-	9,165	9,165	4,861
	<u>-</u>	<u>4,396,947</u>	<u>4,396,947</u>	<u>1,878,143</u>
<b>Educational support costs</b>				
Support staff costs	-	451,725	451,725	257,242
Depreciation	-	330,218	330,218	92,901
Recruitment and other staff costs	-	19,586	19,586	226
Heat and light	-	97,463	97,463	28,607
Premises and maintenance costs	-	264,723	264,723	131,587
Cleaning contracts	-	13,060	13,060	17,853
Technology costs	-	93,749	93,749	54,753
Other support and admin expenses	-	71,071	71,071	20,255
	<u>-</u>	<u>1,341,595</u>	<u>1,341,595</u>	<u>603,424</u>
	<u>-</u>	<u>5,738,542</u>	<u>5,738,542</u>	<u>2,481,567</u>

**Cirencester Deer Park School**  
Year ended 31 August 2012  
Notes to the Accounts (continued)

**9 Governance costs**

	Unrestricted Funds £	Restricted Funds £	2012 Total £	2011 Total £
Legal and professional fees	-	5,510	5,510	13,566
Auditors' remuneration				
Audit of financial statements	-	6,000	6,000	6,000
Other services	-	1,670	1,670	500
Support costs	-	3,875	3,875	475
Governors' reimbursed expenses	-	-	-	62
Governors' honorarium	-	-	-	1,531
	-	17,055	17,055	22,134

**10 Staff costs**

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows

	2012 No.	2011 No.
<b>Charitable Activities</b>		
Teachers	64	72
Administration	33	33
Management	6	5
	<b>102</b>	<b>110</b>

Staff costs comprise

	Unrestricted Funds £	Restricted Funds £	2012 Total Funds £	2011 Total Funds £
Wages and salaries	-	3,552,728	3,552,728	1,483,321
Social security costs	-	265,879	265,879	113,285
Other pension costs	-	521,292	521,292	215,911
	-	4,339,899	4,339,899	1,812,517
Supply teacher costs	-	18,145	18,145	7,579
Compensation payments	-	-	-	57,767
	-	4,358,044	4,358,044	1,877,863

Three employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the period ended 31 August. The total emoluments of these employees were in the following ranges

	2012 No.	2011 No.
£60,001 - £70,000	2	2
£80,001 - £90,000	1	1

All 3 of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2012, pension contributions for these staff amounted to £29,675

**Cirencester Deer Park School**  
Year ended 31 August 2012  
Notes to the Accounts (continued)

**11 Governors' remuneration and expenses**

Principal and Staff Governors only receive remuneration in respect of services they provide under the roles of Principal and staff members and not in respect of services as Governors. Other Governors did not receive any payments from the academy in respect of their role as Governors. The value of their remuneration (including employer's pension contributions) were as follows

C Henson - Principal	£95k - £100k
K Stook - Staff Governor	£25k - £30k
M Alsaigh - Staff Governor	£35k - £40k
S Bellamy - Staff Governor	£45k - £50k

During the year ended 31 August 2012, no expenses were reimbursed to the Governors (2011 £62 was reimbursed to 1 Governor for stationery expenses)

**Interests in transactions**

There were no declared interests in transactions made by the Academy

**12 Governors' and Officers' Insurance**

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost for the insurance for the period ended 31 August 2012 was £1,469

**13 Taxation**

The academy is a registered charity and therefore is not liable to Income Tax or Corporation Tax on income from charitable activities, as it falls within the exemption available to registered charities

**14 Tangible Fixed Assets**

	Freehold Land and buildings £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2011 (as restated)	9,987,587	29,420	81,525	<b>10,098,532</b>
Additions	93,607	24,458	80,643	<b>198,708</b>
At 31 August 2012	<u>10,081,194</u>	<u>53,878</u>	<u>162,168</u>	<u>10,297,240</u>
<b>Depreciation</b>				
At 1 September 2011 (as restated)	87,710	3,650	20,781	<b>112,141</b>
Charged in year	317,191	13,027	59,546	<b>389,764</b>
At 31 August 2012	<u>404,901</u>	<u>16,677</u>	<u>80,327</u>	<u>501,905</u>
<b>Net Book Value</b>				
At 31 August 2012	<u>9,676,293</u>	<u>37,201</u>	<u>81,841</u>	<u>9,795,335</u>
At 31 August 2011	<u>9,899,877</u>	<u>25,770</u>	<u>60,744</u>	<u>9,986,391</u>

The Secretary of State has placed a restrictive covenant on the land and buildings of the academy, these assets are not allowed to be sold without the Secretary's permission

The above land and buildings figure includes £2,063,705 of non-depreciable assets (2011 £nil)



**Cirencester Deer Park School**  
Year ended 31 August 2012  
Notes to the Accounts (continued)

**15 Stock**

	<b>2012</b>	<b>2011</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Catering	8,682	5,000
	<b>8,682</b>	<b>5,000</b>

**16 Investment in subsidiary**

	<b>2012</b>	<b>2011</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Investment in subsidiary	1	-
	<b>1</b>	<b>-</b>

**17 Debtors**

	<b>2012</b>	<b>2011</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Trade debtors	30,510	26,088
Prepayments	14,841	60,491
Other debtors	-	40,712
VAT recoverable	38,788	53,100
	<b>84,139</b>	<b>180,391</b>

**18 Creditors amounts falling due within one year**

	<b>2012</b>	<b>2011</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Trade creditors	30,697	158,383
Sundry creditors	-	(529)
Accruals and deferred income	95,676	211,382
	<b>126,373</b>	<b>369,236</b>

**Cirencester Deer Park School**  
**Year ended 31 August 2012**  
**Notes to the Accounts (continued)**

**19 Funds**

The income funds of the Academy comprise the following balances of grants to be applied for specific purposes

	At 31 August 2011	Incoming resources	Resources expended	Gains, losses, and transfers	At 31 August 2012
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grants (GAG)	136,975	4,878,792	4,823,186	(88,707)	<b>103,874</b>
Start Up Grant	4,934	-	4,934	-	-
Other DfE/EFA grants	-	90,510	90,510	-	-
SEN	-	68,918	68,918	-	-
Music tuition fund	552	40,960	34,138	-	<b>7,374</b>
Trips fund	171,494	207,017	215,503	(100,000)	<b>63,008</b>
Other funds	-	203,673	119,644	-	<b>84,029</b>
	<b>313,955</b>	<b>5,489,870</b>	<b>5,356,833</b>	<b>(188,707)</b>	<b>258,285</b>
<b>Restricted fixed asset funds</b>					
DfE capital grants	21,820	96,181	-	(118,001)	-
Fixed Assets	9,978,391	-	389,764	206,708	<b>9,795,335</b>
	<b>10,000,211</b>	<b>96,181</b>	<b>389,764</b>	<b>88,707</b>	<b>9,795,335</b>
<b>Other restricted funds</b>					
Pension Reserve	(689,000)	-	9,000	(171,000)	<b>(869,000)</b>
<b>Total restricted funds</b>	<b>9,625,166</b>	<b>5,586,051</b>	<b>5,755,597</b>	<b>(271,000)</b>	<b>9,184,620</b>
<b>Unrestricted Funds</b>					
Unrestricted funds	<b>635,913</b>	<b>203,031</b>	<b>183,704</b>	<b>100,000</b>	<b>755,240</b>
<b>Total unrestricted funds</b>	<b>635,913</b>	<b>203,031</b>	<b>183,704</b>	<b>100,000</b>	<b>755,240</b>
<b>Total funds</b>	<b>10,261,079</b>	<b>5,789,082</b>	<b>5,939,301</b>	<b>(171,000)</b>	<b>9,939,860</b>

The specific purposes for which the funds are to be applied are as follows

**Restricted GAG Fund, Other DfE/EFA grants & Other funds** - This fund represents grants received for the Academy's operational activities and development

**Start Up Grant** - This fund is specifically to assist with the costs of converting to an academy

**SEN fund** - This fund is for subsidising the extra cost of educating children with special educational needs

**Music tuition fund** - This is monies that students have paid to pay for music tuition costs

**Private trips fund** - This is income from students to pay for educational trips in the future

**DfE capital grants** - These grants relate to funding received from the DfE, EFA and private sponsors to carry out works of a capital nature as part of the School Building project

**Donated Fixed Asset fund** - This is the fund value of assets brought into the academy, the appropriate depreciation is being charged to this fund on an annual basis

**Pension reserve** - This fund relates solely to the LGPS pension reserve

**Cirencester Deer Park School**  
Year ended 31 August 2012  
Notes to the Accounts (continued)

**20 Analysis of net assets**

Fund balances at 31 August 2011 are represented by

	Unrestricted general fund £	Restricted general fund £	Restricted fixed asset fund £	Restricted other fund £	2012 Total £	2011 Total £
Tangible fixed assets	-	-	9,795,335	-	9,795,335	2,091,932
Current assets	755,240	384,658	-	-	1,139,898	1,332,924
Current liabilities	-	(126,373)	-	-	(126,373)	(369,236)
Pension scheme liability	-	-	-	(869,000)	(869,000)	(689,000)
<b>Total net assets</b>	<b>755,240</b>	<b>258,285</b>	<b>9,795,335</b>	<b>(869,000)</b>	<b>9,939,860</b>	<b>2,366,620</b>

**21 Financial commitments**

***Operating leases***

At 31 August 2012 the Academy had annual commitments under non-cancellable operating leases as

	2012 Total £	2011 Total £
<i>Other</i>		
Expiring within one year	-	661
Expiring within two and five years inclusive	3,973	-
Expiring in over five years	-	-
	<b>3,973</b>	<b>661</b>

**22 Capital Commitments**

Capital commitments contracted but not provided for in the Financial Statements are as follows

	2012 Total £	2011 Total £
Building repairs	-	70,099

### **23 Contingent Liabilities**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to

(a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy and

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

The Governors' have no indication of how much this liability would be, neither do they have any indication of whether the liability will crystallise

### **24 Members' Liability**

Each member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member

### **25 Exemption from filing group accounts**

The academy owns 100% of the share capital of Deer Park Enterprises Limited (Company number 07957129), and have done so since the company was formed. In accordance with section 405 paragraph 2 of the Companies Act 2006 group accounts have not been prepared on the basis that the subsidiary is deemed immaterial for the purpose of giving a true and fair view. Separate accounts will be filed for the subsidiary in due course in accordance with company law

### **26 Prior year adjustment**

The prior year adjustment relates to a revision of an accounting estimate for the value of the donated land and buildings from the previous school to the academy on conversion. As a result of the audit work undertaken, the value of the land and buildings has been increased to reflect the valuation undertaken by the Education Funding Agency, which provides a more reliable figure than previously used. The prior year adjustment totals £7,894,459 and is reflected on the SoFA in other recognised gains and losses, and is included in note 14 in the brought forward figure at 1 September 2011 for land and buildings. This material adjustment is made in line with the rules laid out in FRS3 (Reporting Financial Performance)

## 27 Pension Commitments

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Gloucestershire County Council Pension Fund Both are defined benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS was 31 March 2010

There were no outstanding or prepaid contributions at either the beginning or end of the financial year

### Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972 and Teachers' Pensions Regulations 2010 A notional asset value is ascribed to the scheme for the purpose of determining contribution rates

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary The last formal actuarial valuation undertaken for the Teachers' Pension Scheme was completed in 2004 Consequently, a formal actuarial valuation would have been due by 2008 However, formal actuarial valuations for unfunded public service pension schemes have been suspended by HM Treasury on value for money grounds However, as the interval since the last formal actuarial valuation now exceeds four years, the amounts recognised in these financial statements have been prepared using full membership data as at 2008

The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows

	2012 £	2011 £
Academy's contribution for the period	375,000	155,000
Latest actuarial valuation (under the new provisions)	31 March 2008	
Actuarial method	Prospective benefits	
Investment returns per annum	3.5 per cent per annum	
Salary scale increases per annum	1.5 per cent per annum	
Notional value of assets at date of last valuation	£163,240 million	
Proportion of members' accrued benefits covered by the notional value of the assets	98.04%	

Following the implementation of Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions For the period from 1 September 2011 to 31 March 2012 the employer contribution was 14.1 per cent The employee rate was 6.4% for the same period A tiered approach has been adopted since 1 April 2012, with employee contributions being between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary An appropriate provision in respect of unfunded pensioners' benefits is included in provisions

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) section 9(b), the TPS is a multi-employer pension scheme The Academy is unable to identify its share of the underlying assets and liabilities of the scheme Accordingly, the Academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme The Academy has set out above the information available on the scheme and the implications for the Academy in terms of the anticipated contribution rates

## 27 Pension Commitments (Continued)

### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2011 was £80,356, of which employer's contributions totalled £61,330 and employees' contributions totalled £19,026. The agreed contribution rates for future years are 19.8 per cent for employers and range from 5.5 to 7.5 per cent for employees.

#### Principal Actuarial assumptions

	At 31 August 2012	At 31 August 2011
Rate of increase in salaries	4.00%	4.60%
Rate of increase for pensions in payment	2.20%	2.80%
Discount rate for scheme liabilities	4.10%	5.50%
Expected return on assets	4.70%	6.70%

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

FRS17 does not require disclosure of the sensitivity of the results to the methods and assumptions used. However, it is recommended best practice that this information is included and we have therefore shown these below.

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 August 2012	At 31 August 2011
	Years	Years
<i>Retiring today</i>		
Males	21.70	21.70
Females	23.60	23.60
<i>Retiring in 20 years</i>		
Males	23.50	23.50
Females	25.80	25.80

#### Actuarial assumptions sensitivity

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below.

Change in assumptions at 31 Aug 2012	Approx % increase to employer liability	Approx monetary amount  £
0.5% decrease in Real Discount Rate	12%	188,000
1 year increase in member life expectancy	3%	47,000
0.5% increase in the Salary Increase Rate	5%	76,000
0.5% increase in the Pension Increase Rate	7%	108,000

**Cirencester Deer Park School**  
Year ended 31 August 2012  
Notes to the Accounts (continued)

**27 Pension Commitments (Continued)**

**Local Government Pension Scheme (Continued)**

The estimated Academy's share of the assets and liabilities in the scheme and the expected rates of return were

	Rate of return expected at 31 Aug 2012 %	Fair value at 31 Aug 2012 £	Rate of return expected at 31 Aug 2011 %	Fair value at 31 Aug 2011 £
Equities	5.5%	442,000	6.8%	287,000
Bonds	3.3%	187,000	4.6%	115,000
Property	3.7%	41,000	4.8%	26,000
Cash	2.8%	21,000	3.9%	13,000
<b>Total market value of assets</b>		<b>691,000</b>		<b>441,000</b>
Present value of scheme liabilities				
- Funded		1,560,000		1,130,000
- Unfunded		-		-
<b>Surplus/(deficit) in the scheme</b>		<b>(869,000)</b>		<b>(689,000)</b>

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy

The expected return on assets is based on the long term future expected investment return for each asset class as at the beginning of the period (i.e. As at 1 September 2011 for the period to 31 August 2012). The return on bonds are assumed to be the corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilt yields.

The actual return on the scheme assets in the year was £59,000

<b>Total expenditure recognised in the Statement of Financial Activities</b>	<b>2012 £</b>	<b>2011 £</b>
Current service cost	122,000	54,000
Past service cost (gain)	-	-
<b>Total operating charge</b>	<b>122,000</b>	<b>54,000</b>
Interest on obligation	65,000	25,000
Expected return on Scheme assets	32,000	(11,000)
<b>Net return</b>	<b>97,000</b>	<b>14,000</b>
Actuarial gains / (losses) on pension scheme assets	26,000	(27,000)
Actuarial gains / (losses) on scheme liabilities	(197,000)	28,000
<b>Net actuarial gain</b>	<b>(171,000)</b>	<b>1,000</b>

**Cirencester Deer Park School**  
Year ended 31 August 2012  
Notes to the Accounts (continued)

**27 Pension Commitments (Continued)**

**Amount recognised in the statement of financial activities (SOFA)**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Actual return less expected return on pension scheme assets	26,000	(27,000)
Change in the financial and demographic assumptions underlying the present value	(197,000)	28,000

<b>Actuarial (loss)/gain recognised in SOFA</b>	<b>(171,000)</b>	<b>1,000</b>
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**Reconciliation of opening and closing balances of the present value of the Trust's share of scheme's liability**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Scheme liabilities at 1 September 2011</b>	<b>1,130,000</b>	<b>1,060,000</b>
Current service cost	122,000	54,000
Past service cost	-	-
Contributions by scheme participants	46,000	19,000
Interest cost	65,000	25,000
Benefits paid	-	-
Curtailments	-	-
Liabilities assumed in a business combination	-	-
Actuarial (gain)/loss	197,000	(28,000)
<b>Scheme liabilities at 31 August 2012</b>	<b>1,560,000</b>	<b>1,130,000</b>

**Reconciliation of opening and closing balances of the fair value of the Trust's share of the scheme assets**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Fair value of scheme assets at 1 September 2011</b>	<b>441,000</b>	<b>375,000</b>
Expected return on scheme assets	32,000	11,000
Contributions by employer	146,000	63,000
Contributions by scheme participants	46,000	19,000
Benefits paid	-	-
Assets acquired in a business combination	-	-
Actuarial gains / (losses)	26,000	(27,000)
<b>Fair value of scheme assets at 31 August 2012</b>	<b>691,000</b>	<b>441,000</b>

**Movement in surplus/(deficit) during year**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Surplus/(deficit) in scheme at 1 September 2011	(689,000)	-
Change in opening market value of assets	-	-
Brought forward defined benefit pension scheme asset (liability)	(689,000)	(685,000)
Current service cost	(122,000)	(54,000)
Past service cost	-	-
Curtailments and settlements	-	-
Employer contributions	146,000	63,000
Net interest/return on assets	(33,000)	(14,000)
Business combinations	-	-
Actuarial gain or (loss)	(171,000)	1,000
<b>(Deficit)/Surplus in scheme at 31 August 2012</b>	<b>(869,000)</b>	<b>(689,000)</b>



**27 Pension Commitments (Continued)**

**Amounts for the current and previous periods**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Defined benefit obligation at end of year	1,560,000	1,130,000
Fair value of plan assets at end of year	691,000	441,000
Deficit	<u>(869,000)</u>	<u>(689,000)</u>
Experience adjustments on scheme assets	26,000	
Experience adjustments on scheme liabilities	(197,000)	

**Projected pension expense for the year to 31 August 2013**

	<b>2012</b>
	<b>£</b>
Projected amount credited to	
Service cost	155,000
Interest cost	68,000
Return on assets	<u>(37,000)</u>
Total	<u><b>186,000</b></u>
Employer contributions	<u><b>148,000</b></u>

It must be appreciated in accordance with the Charity Commission publication, 'Charity Reserves and Defined Pension Schemes' that where, under FRS 17, a charity discloses a significant pension fund deficit, this does not mean that an immediate liability for this amount crystallises. Similarly, where a pension surplus is disclosed this does not create an immediately realisable asset that can be released straight away and expended on the purposes of the charity. In particular, the disclosure of a pension liability does not mean that the equivalent amount is already committed and is no longer available to the trustees to further the charity's objectives.